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March 26, 2012

REIT Issuer

Ichigo Real Estate Investment Corporation (8975)

1-1-1, Uchisaiwai-cho, Chiyoda-ku, Tokyo

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Asset Management Company

Ichigo REIT Management Co., Ltd.

Representative: Wataru Orii, President & Representative Director

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Acquisition of TK Real Estate Equity Interest

Ichigo Real Estate Investment Corporation (“Ichigo REIT”) has acquired a TK (*tokumei kumiai*) real estate equity interest, per the below.

1. Acquisition Summary

Asset Type	TK equity interest in trust beneficiary right in real estate
Asset Name	Namboku Holdings GK TK Equity Interest
Property in Trust	M’s SQUARE
Investment Amount	20,000,000 yen (0.94% ownership of TK Equity Interest)
Contract Date	March 26, 2012
Acquisition Date	March 26, 2012
Financing Method	Cash on hand

2. Acquisition Rationale

Following its merger with the former Ichigo Real Estate Investment Corporation on November 1, 2011, Ichigo REIT has been proactively taking actions to further its growth as a comprehensive J-REIT and pursue stable and steady profitability. Ichigo REIT has defined the period until October 2012 as “Stage I” under this growth strategy, aiming to “Lay the Foundation for Growth” by improving portfolio quality via the strategic use of its negative goodwill.

This TK investment is consistent with Ichigo REIT’s growth strategy and secures an opportunity for Ichigo REIT to acquire a high-quality asset. The investment complies with Ichigo REIT’s portfolio construction policies under the Articles of the Investment Corporation and is financed via cash on hand.

With this TK investment, Ichigo REIT will receive dividends from any profits generated by rental income. In addition, Ichigo REIT has received preferential negotiating rights to acquire the underlying real estate asset. (For details, please see “Overview of Preferential Negotiation Right” in “3. Asset Summary” below.) This preferential negotiating right confers upon Ichigo REIT a right, but no obligation, to acquire this asset. This option to acquire a high-quality office asset is expected to contribute to Ichigo REIT’s healthy portfolio growth and increased profitability over the middle- to long-term.

In deciding to acquire this TK equity interest, the Ichigo REIT made note of the following positive features of the underlying real estate asset:

(1) Location

The property is in an excellent location in the Kanda-Ogawamachi area near Otemachi, the financial center of Tokyo. Ichigo REIT believes that there is a strong and constant tenant demand for properties in this area.

(2) Asset Characteristics

The property has extremely convenient train and subway access, being a 1-8 minute walk from multiple stations, including Ogawamachi Station on the Toei Shinjuku Line, Awajicho Station on the Tokyo Metro Marunouchi Line, Shin Ochanomizu Station on the Tokyo Metro Chiyoda Line, Ochanomizu on the JR Chuo Line and Kanda Station on the Tokyo Metro Ginza Line and JR Yamanote Line. The property is located on a corner lot with three sides open, which makes the building highly visible. The floorplate is ideal for office use, with a rectangular shape without intervening columns and pillars, which makes it flexible for various layouts. The building is also relatively new, which makes it highly competitive in this area.

3. Asset Summary

(1) TK Overview

TK Operator	Namboku Holdings GK	
TK Agreement Period	Through March-end 2017, or the business day following the day all of the senior liabilities are repaid	
Total TK Investment Amount	2,117 million yen	
TK Agreement Details	Namboku Holdings GK	
	Trust beneficiary rights in real estate (<i>juekiken</i>) 2,117 million yen (Note 1)	TK Equity Interest 2,117 million yen (Note 2)
	<p>(Note 1) The appraisal value as of March 16, 2012 is 2,230 million yen.</p> <p>(Note 2) Ichigo REIT has invested 20,000,000 yen (0.94%) of the TK Equity Interest.</p> <p>(Note 3) Ichigo Real Estate Investment Advisors (“IRE”) is the asset manager of Namboku Holdings GK. IRE is a related party of the asset manager of Ichigo REIT, Ichigo REIT Management Co., Ltd. (“IRM”), as defined in the Enforcement Ordinance of the Investment Trust and Investment Corporation Law.</p> <p>Calculation Period: Quarterly (January-March; April-June; July-September; October-December). However, the first calculation period runs from the acquisition date of the TK Equity Investment until March-end 2012.</p> <p>Distribution of Profit and Loss: The Operator will distribute the profit, if any, to the TK equity holders according to their investment ratio for each calculation period on the last day of each calculation</p>	

	<p>period. However, in the case where the equity is decreased by loss, the Operator will not distribute any profit until the loss is recovered.</p> <p>If losses from the business are generated in each calculation period, equity holders shall be distributed pro rata the losses according to their investment ratios in each calculation period within the amount of losses.</p> <p>In the case where the cumulative loss exceeds the total equity contribution, the loss is limited to the equity contribution.</p>	
Overview of Preferential Negotiation Right	Description	Right to preferential negotiation for acquisition of the underlying real estate
	Exercise Period of Preferential Right	Through March 25, 2013
	Preferential Negotiation Price	If Ichigo REIT offers an acquisition price of 2,130 million yen or more, the Operator shall be obligated to sell the real estate to Ichigo REIT at the offered price, unless the offered price from Ichigo REIT is extraordinarily irrational relative to market pricing at that time.

(2) Real Estate Overview

Property Name		M's SQUARE
Asset		Trust beneficiary rights in real estate (<i>juekiken</i>)
Trustee		The Sumitomo Trust & Banking Co., Ltd.
Period of Trust Contract		February 27, 2007 – March 31, 2022
Location		1-16-1, Kandanishikicho, Chiyoda-ku, Tokyo (lot number)
Land	Property Right	Ownership (fee simple)
	Size	417.32 m ²
	Zoning	Commercial
	Coverage Ratio / Floor Area Ratio	80% /800%
Building	Property Right	Ownership (fee simple)
	Use	Office, Residence, Parking
	Structure	S/RC B1F/11F
	Total Floor Area	3,506.87 m ²
	Construction Date	March 10, 2003
Number of Tenants		1, Master Lease (as of February 29, 2012) (Note 4)
Monthly Rental Income		(Note 5)
Deposit		(Note 5)
Leasable Space		2,344.96 m ² (as of February 29, 2012)
Leased Space		2,344.96 m ² (as of February 29, 2012)
Occupancy		100 % (as of February 29, 2012)
Architect		Sumitomo Mitsui Construction Co., Ltd.
Builder		Sumitomo Mitsui Construction Co., Ltd.
Structural Strength Calculator		Sumitomo Mitsui Construction Co., Ltd.
Inspection Agency		Tokyo Bldg-Tech Center Co., Ltd.
PML (Assessor)		2.34% (NKSJ Risk Management, Inc.)

(Note 4) The Trustee has a master lease contract with the lessor which allows the lessor to sublease the space to tenants.

(Note 5) The lessor has not provided consent for the disclosure of monthly rental income and the deposit.

(3) TK Operator Overview

Name	Namboku Holdings GK
Address	1-1-1 Uchisaiwai-cho, Chiyoda-ku, Tokyo
Representative	Managing Member: IPPAN SHADAN HOJIN HIGH STAGE Manager: Kenichi Tanaka
Principal businesses	1. Acquisition, holding and sale of trust beneficiary rights (<i>juekiken</i>) 2. Acquisition, holding and sale of real estate 3. Other businesses relating to the aforementioned businesses
Capital	100,000 yen
Establishment Date	July 14, 2011
Equity Holder	IPPAN SHADAN HOJIN HIGH STAGE
Relationship with the Investment Corporation or asset management company	The GK is not a related party as defined in the Enforcement Ordinance of the Investment Trust and Investment Corporation Law

4. Related Party Transaction

Namboku Holdings GK is not a related party as defined in the Enforcement Ordinance of the Investment Trust and Investment Corporation Law. Nonetheless, the acquisition procedure follows the internal rules of IRM for the following reasons. First, Ichigo Group Holdings Co. Ltd., the 100 % shareholder of IRM (Ichigo REIT's asset management company), is a related party as defined in the internal rules of IRM, and holds more than half of the equity of Namboku Holdings GK. Second, IRE, a related party as defined in the Enforcement Ordinance of the Investment Trust and Investment Corporation Law, is serving as the TK asset manager.

5. Broker Profile

N/A

6. Schedule

March 26, 2012 Contract Signing
 Acquisition of TK Equity Interest
 Acquisition of the Trust Beneficiary Right in Real Estate by the TK Operator

7. Future Outlook

The impact of this acquisition on Ichigo REIT's performance forecasts for the fiscal periods ending April 2012 and October 2012 is expected to be minimal, and there is thus no change in the performance forecasts.

Reference Information

1. Appraisal Summary

Appraiser	Daiwa Real Estate Appraisal Corporation
Value	2,230 million yen
Date	16, March 2012
Value by Direct Capitalization Method	2,270 million yen
Cap Rate	4.8 %
Value by DCF method	2,210 million yen
Discount Rate	4.6 %
Terminal Cap Rate	5.0 %
Value by Cost Approach	2,380 million yen
Land/Property	72.2%/27.8%

2. Property Photos



3. Location Map



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Website of Ichigo REIT: www.ichigo-reit.co.jp/english